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Supreme Court of the United States

OCTOBER TERM, 1991

FANTASY, INC., d/b/a JONDORA/PARKER MUSIC,
Petitioner,

vs.

JOHN MARASCALCO, d/b/a ROBIN HOOD MUSIC,
Respondent.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Under 17 USC §304(a)(1976), does the interest of an author or the author's assignee in a renewal copyright vest, or does it remain a mere expectancy, when application for such renewal copyright has been made to the Copyright Office and duly registered therein while the author was living and within one year prior to the expiration of the original term of copyright?

LIST OF PARTIES and RULE 29.1 LIST

The parties to the proceedings below were the same parties named in the caption of this Petition. Petitioner Fantasy, Inc. has neither a parent corporation nor any nonwholly owned subsidiaries.

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I. The question whether ownership of the renewal copyright in a work vests (a) upon timely registration of the renewal application in the name of the qualified applicant during the final year of the original copyright term or (b) only if the registrant survives to the beginning of the renewal term of copyright is an important question of Federal statutory construction never resolved by this Court. 4

II. The holding of the Ninth Circuit majority below that the right to own a renewal copyright does not vest in the assignee of an author in whose name the renewal is duly registered unless the author thereafter survives into the renewal term of copyright is in conflict with the

law in the Second Circuit and other jurisdictions, the views of the Attorney General and of most legal scholars of copyright, and the views expressed to Congress by the Copyright Office. That holding, further, is inconsistent with the Copyright Office regulations governing renewal applications and with the implications of decisions of this Court 16

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NO.____

IN THE SUPREME COURT OF THE UNITED STATES
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FANTASY, INC., d/b/a
JONDORA/PARKER MUSIC, Petitioner

v.

JOHN MARASCALCO, d/b/a
ROBIN HOOD MUSIC, Respondent

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE NINTH CIRCUIT

The Petitioner, Fantasy, Inc., respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit, entered in the above-entitled proceeding on December 30, 1991.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit is reported at 953 F2d 469 and is reprinted in Appendix A hereto. The amended opinion and order of the United States District Court for the Central District of California (Terry J. Hatter, Jr., J.), dated October 24, 1990, was reported unofficially at 1989-1990 CCH Copyright Law Decisions ¶26, 651. It is reprinted in Appendix B hereto.

JURISDICTION OF THIS COURT

The opinion of the Ninth Circuit was entered herein on December 30, 1991. No petition for rehearing was filed. The jurisdiction of this Court to review the judgment of the Ninth Circuit is invoked under 28 USC §1254(1).

STATUTE INVOLVED

This case involves the following statutory provision:

17 USC §304(a)(1976); This statute is reproduced in Appendix C hereto.

STATEMENT OF THE CASE

Respondent brought this action for declaratory judgment in the Central District of California, invoking federal jurisdiction under 28 USC §1338(a). The District Court's judgment was entered on October 16, 1990. The Amended Opinion and Order of the District Court articulating its decision was filed October 24, 1990. The Ninth Circuit affirmed by a divided panel.

The undisputed[1] facts are summarized in the majority opinion of the Ninth Circuit thus (Appendix A, 3-4):

"John Marascalco and Robert Blackwell jointly authored the song Good Golly Miss Molly in 1956. By an agreement dated July 23, 1956, Marascalco and Blackwell assigned ownership of the song to Venice Music, Inc., in exchange for royalties. This agreement transferred both the copyright and renewal right in the song to Venice. Venice copyrighted the song on January 22, 1957.

"On or about March 31, 1973, Venice assigned all of its right in the song to Argosy Venture, a Bahamian partnership. On or about January 1, 1981, Argosy assigned

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[1]At trial, a fact-bound issue was presented, *viz:* whether the musical work had, as respects Robert Blackwell, been created "for hire" for Venice Music, Inc. The District Court, on conflicting evidence, held not, because Blackwell, though employed by Venice at the time, had not been hired to write songs. Appendix B, 2-3. Because that holding was based on conflicting evidence, the issue was not pursued on appeal.

those rights to Fantasy.

"On January 18, 1985, Marascalco made a timely renewal registration for the song with the Register of Copyrights on behalf of himself and Blackwell. On March 9, 1985, Blackwell died. Blackwell's daughters, Sandra Blackwell McClendon and Kelly Blackwell, were his successors, under §304(a) of the Copyright Act of 1976.

"On March 15, 1986, Blackwell's daughters assigned all of their interest in the song to Marascalco in exchange for future royalties. On or about November 20, 1986, Marascalco notified Fantasy that he claimed the renewal interest in that one-half of the song's royalties traceable to Blackwell's authorship. Fantasy rejected Marascalco's claim, and this suit followed.

"Marascalco is entitled to royalties under the 1956 agreement. He does not challenge Fantasy's right to ownership of that one-half of the copyright attributable to his authorship. His claim of ownership derives only from the other half of the copyright, traceable to Blackwell's authorship."

On these facts, the District Court held "that, notwithstanding timely registration of the renewed copyright, the renewal right, assigned by Blackwell under the 1956 Agreement, was a mere expectancy pending a determination of whether Blackwell would survive to the beginning of the renewal term. Because Blackwell did not survive until the start of the renewal term, January 1, 1986, the district court held that the renewal right did not vest in [Petitioner] as Blackwell's ultimate assignee." Appendix A, 4.

Petitioner appealed to the Ninth Circuit, and a divided panel of that court affirmed, Judge Thompson dissenting. Because the appeal involved a pure issue of law, the Ninth Circuit reviewed *de novo.* Appendix A, 4. Accordingly, this Petition addresses the Ninth Circuit's disposition as an original treatment of the issues not dependent upon the District Court's analysis.

REASONS FOR GRANTING THE WRIT
I.

The question whether ownership of the renewal copyright in a work vests (a) upon timely registration of the renewal application in the name of the qualified applicant during the final year of the original copyright term or (b) only if the registrant survives to the beginning of the renewal term of copyright is an important question of Federal statutory construction never resolved by this Court.

This case presents a pure legal issue which has been much discussed, but never before directly presented to this Court. The statutory language appears plain.

The majority opinion below rested upon the inference that the Copyright Acts of 1870 (16 Stat. 198, 212, 41st Cong. 2d Sess. Ch.230, Sec.88), 1909 (17 USC §24(1909) as renumbered in 1946) and 1976 (17 USC §304(a)(1976)) impliedly re-enacted a provision of the Acts of May 31, 1790 (1 Stat. 124, 1st Cong. 2d Sess., Ch.15, sec.1) and February 3, 1831 (4 Stat. 436, 21st Cong. 2d Sess. Ch.16, sec.2) which required an author's survival to the commencement of the renewal term. Appendix A, 11. The inference was not drawn from the language of Section 304(a) or its predecessor, Section 24 (1909), which the majority found ambiguous, but from the majority's belief that the legislative history showed no intention to alter that requirement. Appendix A, 5.

Dissenting, Judge Thompson thought the statutory language plain. He wrote that Congress in 1870 deleted the requirement of survival into the renewal term of copyright and never reinstated it. "The obvious conclusion is that Congress deleted the language to make it clear that registration vests the renewal rights." Appendix A, 18. The majority acknowledged that not since the Act of 1831 has the statute said that the author must survive to the start of the renewal

term[2] (Appendix A, 8-11).

The majority relied upon three sources: First, Professor Nimmer's view that the 1909 Act had not been intended to effect a substantial change from prior law. Appendix A, 9.[3] Second, a comment by Barbara Ringer that the 1870 Copyright Act retained the prior renewal provision without substantial change.[4] Appendix A, 9. Third, the testimony

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[2]"The Act of July 8, 1870, *unlike its predecessors*, only required the author to survive, *without expressly requiring that he must be alive at the beginning of the renewal term*. The Act of March 4, 1909, as well as [the 1976 Copyright Act], *have carried forward the approach of the 1870 Act, requiring survival without specifying survival to a specific time to ensure vesting.*" Appendix A, 8-9; footnotes omitted; emphases added.

[3]The Nimmer argument (M. Nimmer & D. Nimmer, 2. *Nimmer on Copyright* §9.05[c] at 9-60 (1991) (hereinafter "*Nimmer*")) is founded on a reading of *Fred Fisher Music Co. v. M. Witmark & Sons*, 378 U.S. 643, 647 (1943) which Judge Thompson, in dissent below, termed "misplaced". Appendix A, 18-19.

[4]The comment appears in B. Ringer, *Renewal of Copyright,* (1960) *reprinted as* Copyright Law Revision Study. No.31, Sen. Judiciary Comm., 86th Cong., 2d Sess. 105, 111-112 (1961) (hereafter "Ringer"; the study is often referred to below as the "*Ringer Study*"). Ringer remarks upon the consistent adherence of United States law to the pattern of an original fixed term of copyright followed under some circumstances by a renewal for a further fixed term of years. The comment contrasts the English and Canadian law which had both departed from the pattern in favor of a single term of copyright. In dissent below, Judge Thompson observes that the comment does not discuss the survival requirement, but that when Ringer does turn to the vesting issue she concludes that registration vests. Appendix A, 20-21.

The *Ringer Study* was one of "35 published monographs on most of the major substantive issues in copyright revision" undertaken for Congress by the Copyright Office. See H.R.Rep. No. 94-1476, 94th Cong. 2d Sess. at 47(1976). After the Senate printing of the *Ringer Study*, and before the 1976 Act passed Congress, Ms. Ringer became Register of Copyrights (1973), a post she held until 1980. 11 *Columbia-VLA Journal of Law & the Arts* 665 (1987).

of a Mr. Hale, in the hearings which preceded the 1909 Act: "It [the renewal right] does not vest until the end." 5 Legislative History of the 1909 Copyright Act, part K, 77 (E. Brylawski and A. Goldman, eds. 1976). Appendix A 10. In quoting this testimony in *Stewart v. Abend*, 495 US 207, 110 SCt. 1750, 1759, 109 LEd 2d 184, 200 (1990), this Court added "[of the original term]," but stated (id, n.2) that it had not decided when the renewal right vests and was not then doing so. The majority below used the quotation, as amplified, to conclude that in passing the 1909 Act, Congress had "looked past the 1870 Act" in order to reinstate the survival requirement of the 1831 Act. Appendix A, 10.[5]

The majority acknowledged the *Ringer Study's* conclusion that registration vested the renewal copyright in interest under Section 24 of the 1909 Act (Appendix A, 10), but rejected Petitioner's contention that Congress' nearly identical reenactment, in Section 304(a)(1976), of Section 24 signified Congressional acceptance of the interpretation. The majority found the "primary difficulty with [Petitioner's] argument [to be] that the Ringer study was presented to the 86th Congress, not to the 94th Congress, which passed the 1976 Act some sixteen years later." Appendix A, 11.

The majority below found no inconsistency between second term vesting under §304(a) and registration vesting for 1977 renewals under 17 USC §304(b)(1976). The majority did not discuss the notice vesting provisions of 17 USC §§203 and 304(c), though they were briefed. The majority treated section 304(b) as an avoidance by Congress of "the time-

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[5]Judge Thompson termed the passage, complete with the words added in *Stewart v. Abend*, misleading for several reasons: (a) Mr. Hale had not defined what he meant by "the end"; (b) Hale's testimony was aimed at a different point, not the time of vesting issue, nor does the legislative history of the 1909 Act disclose other mention of the vesting issue; and (c) the majority ignored the *Stewart* opinion's footnote 2 in its reliance on the quotation as embellished, the footnote adding the clarity that this Court was not, in *Stewart*, passing on the vesting issue nor quoting Mr. Hale for that purpose. Appendix A, 19-20.

of-vesting issue by treating the [1977-renewed] copyright 'as if it *were already subsisting in its second term*.'" Appendix A, 6; emphasis by the court below.

Acknowledging that constructions of §304(a) by the Register of Copyrights are entitled to deference, the majority below found none to which to defer. Appendix A, 11-12. The majority dismissed the *Ringer Study* (Appendix A, 11) and found no inconsistency between the Regulations and second-term vesting, in the following dictum (Appendix A, 12):

"Fantasy points to the fact that an Assistant Chief of the Examining Division of the Copyright Office declared it to be the practice of the Register not to accept renewal claims on behalf of §304(a) successors (for example, the author's widow [*sic*]) if the author is still alive. *See* 37 C.F.R. §202.17(f)(iii). This declaration is not inconsistent with Marascalco's view of the time of vesting issue."[6]

The majority's conclusion that "§304(a) perpetuates the explicit survival requirements of the 1790 and 1831 Acts" (Appendix A, 11) was apparently not meant to make death avoid the renewal copyright, but only to affect the right

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[6]The Assistant Chief referred to was Dorothy M. Schrader, now General Counsel to the Copyright Office. The "declaration" was published in an exhaustive article on renewal rights by Ms. Schrader entitled *Vesting Date of the Renewal Copyright Interest*, 19 Bulletin of the Copyright Society of the USA 277, 300 (1972) (hereinafter cited as "*Schrader*"). The article, which comprehensively surveyed the time-of-vesting issue under old Section 24 and reached the same conclusion as had *Ringer* a decade earlier, i.e. that registration is the event which effects vesting, pointed out that the Copyright Office policy of refusing to register contingent renewal claims was, more than mere administrative policy, a matter of the plain terms of the statute, viz: "Most significantly, there is the barrier of the statutory language itself. Next to the author, the most common renewal claimant is the widow of the author, but surely it is clear that the 'widow' cannot apply for renewal of the copyright unless her author-husband is dead. The 'widow' is entitled to apply for renewal; the 'wife' of the author is not entitled. Obviously, one is not a 'widow' until the author-husband is dead." *Ibid*.

to transfer, *viz:* "We hold that §304(a) permits a renewal interest to vest *in an author's assignees only if the author survives to the start of the renewal term.*" Appendix A, 17; emphasis added.

In *Stewart v. Abend, supra*, 110 S.Ct at 1759, n.2, this Court observed that it had not decided, nor was it then deciding, the time of vesting issue. Neither the *Fisher* case, *supra*, n.3, nor *Miller Music Corp. v. Charles N. Daniels, Inc.* 362 U.S. 373, 377-378 (1960), had presented the issue, *Fisher*, because the author survived into the renewal term of copyright, and *Miller Music*, because the author had, as in *Stewart*, died before the 28th year began.

Several times, *Miller Music* uses the term "renewal period" (362 U.S. at 375-377), but the opinion does not explicitly define it as between the year when the right to apply can be exercised and the renewal term of copyright. *Miller Music* summarizes the holding of *Fisher* thus: "An assignment by an author of his renewal rights made before the original copyright expires is valid against the world if the author is alive at the commencement of the renewal period." 362 U.S. at 375. Since no renewal copyright can arise without due registration, vesting is a two step issue: vesting of the right to apply and vesting of the renewal copyright itself. Clearly the right to apply vests in the eligible person(s) in the highest class described in §304(a) on the first day of the registration year. In this case, the issue is whether the renewal copyright, now registered, remained an expectancy.

By far, most courts and commentators have understood "renewal period" to refer to the final year of the original term of copyright for purposes of satisfying the survival requirement of §304(a) (and former §24) and vesting the renewal copyright on registration, e.g. *Rose v. Bourne*, 279 F2d 79, 80 (2d Cir, 1960) (decided 6 weeks after *Miller Music*); *Abend v. MCA, Inc.*, 863 F2d 1465, 1475 (9th Cir., 1988) (*dicta*); *Ringer, supra* at 185-186; *Schrader*, *supra*, at 285 *et.seq*. *Miller Music* evidences several factors which support

this interpretation: *First*, *Miller Music* distinguished between the right to apply and the renewal copyright itself, each a creature of the statute (362 U.S. at 375); *Second*, the renewal copyright had issued on the executor's application, not that of the pre-deceased author, hence no question of devolution of a registered renewal arose (*Id* at 374); *Third*, *Miller Music* quoted from *Fox Film Corp. v. Knowles*, 261 US 326, 329-330 (1923) that the executor is entitled "to make the claim" for the renewal "whenever a widow might have made it", had the author left a widow, or whenever the next of kin might apply had the author left no widow, child or will (*Id* at 377); *Fourth*, Miller *Music* quoted from H.R. Rep. 60-2222, 60th Cong., 2d Sess., p. 15, thus:

"Instead of confining the right of renewal to the author, if still living, or to the widow or children of the author, if he is dead, we provide that the author of such work, if still living, *may apply for the renewal*, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or, in the absence of a will, his next of kin. It was not the intention to permit the administrator to *apply for the renewal*, but to permit the author who had no wife or children to bequeath by will the right to *apply for the renewal.*" 362 US at 377; emphases added.

These indications suggest that *Miller Music's* term, "renewal period," meant the year when the right to apply would be exercised,[7] hence that the survival provision related

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[7] The District Court in *Miller Music (Miller Music Corporation v. Charles N. Daniels, Inc.*, 158 F.Supp. 188, 192 (S.D.N.Y. 1957)), had reached the same result in this language:

"In light of the policy of the act with respect to renewal rights 'expectancy' means that any right to renewal which the author may have is entirely contingent upon the author's survival until the commencement of the twenty-eighth year. Since this is so, an author's assignment of his renewal rights *in futuro* can effectively transfer such rights to the assignee only if the author survives until the commencement

(continued...)

only to application and registration.

DeSylva v. Ballentine, 351 U.S. 570, 574 (1956), had similarly spoken of the right to apply, thus: "The question this case presents is whether [the author's illegitimate] child is entitled to share in the copyrights which come up for renewal during the [author's] widow's lifetime." *Id* at 572. That "come up for renewal" meant "come ripe for application" is implied by the Court's statement (*ibid*) of the operative facts ("[the] author . . . died before the time to apply for renewals arose") and several other references throughout the opinion, e.g. "entitled to renew" (*Id* at 573, 574, 580), "succeed to the right of renewal as a class" (*Id* at 580), and "copyright already renewed by the widow and those that will become renewable during her lifetime." *Id* at 572.

Here the majority held survival to the renewal term a condition precedent to vesting. Foreseeably, ownerships of many copyrights might be affected by such postponement of vesting, both those heretofore and hereafter registered, especially so because §304(a) requires survival for widows, widowers and children as well as authors[8].

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[7](...continued)
of the twenty-eighth, or last, year of the original term. If the author survives, he becomes vested with an absolute power to renew under the statute, and the prior contingent assignment in turn vests such renewal rights in the assignee. On the other hand, if the author fails to survive, he has never become vested with any rights of renewal, such rights by statute have been vested *eo nomine* in his widow, children, executor or next of kin, as the case may be, and there is nothing which can pass by virtue of the assignment." 158 F.Supp. at 192.

[8]The gravity of the issue is most brightly illuminated where there is but a single author or a single person in the surviving spouse/child class. In the instant case, the work was the product of co-authorship, and one co-author survived into the renewal term. Under familiar principles regarding co-authorship and the preservation of the renewal copyright for both (or all) by the registration in the name of one, the survival of Marascalco as co-author obviated the failure of the registration in
(continued...)

The majority's second term vesting rule implies two inconsistent consequences: either the registrant's death nullifies the registration, throwing the work into the public domain, notwithstanding whom the registrant might leave behind, if the next person in order under the statute fails to register again during what is left of the renewal year; or the death divests the registrant and assigns of ownership, but the registration remains effective to secure the renewal copyright for §304(a) successors. The majority opinion below opted for the latter choice, inferring that Congress had, three times "perpetuate[d] the explicit survival requirements of the 1790 and 1831 Acts" (Appendix A, 11), without saying so. However, the 1790 Act required author survival in order that there *be* a renewal copyright, hence that Act, if thus "perpetuated", would have destroyed this copyright had the happenstance of joint authorship not appeared.

The requirement of survival to the renewal term may affect countless 28 year renewal term ownerships of copyrights renewed between 1948 and 2004.[9] It is submitted that most renewed copyrights have in good faith been regarded as vested on registration, because that has clearly been the prevailing interpretation. The holding below makes these copyrights vulnerable to divesting claims, no matter how

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[8](...continued)
Blackwell's name, even under a renewal term vesting rule. *Ringer* at 177-178. But vesting should, we assume, be determined under a rule equally applicable to single-author works as to multi-author works.

[9]Because section 304(a) is unquestionably a reenactment of section 24 of the 1909 Act, as amended (17 USC §24 (1946 revision, renumbering what had originally been enacted as §23, 1909 Act)), prior renewals, whether under section 304(a) or under old section 24, are affected by the vesting date determination, with the aberrant exception under the holding below of those copyrights renewed in 1977, in that §304(b) rather clearly vests ownership of those from the date of registration. The extra 19 years added to pre-1978 copyrights by the change of the renewal term from 28 to 47 years provided by §304(a) appear to be unaffected, because of the termination rights provided in 17 USC §304(c)(1976).

belated. No successor, whether an assignee, legatee, trustee or beneficiary of trust, mortgagee or licensee of a registrant who died before the renewal term, has the rights it thought it had. No principle of waiver, acquiescence or laches, nor any statute of limitations, would appear to preclude the claim of a section 304(a) successor that he or she, rather than the registrant's voluntary successor, owns the renewal copyright, and the latter is thereby made an infringer.

The statute confers entitlement to the renewal copyright "when application . . . shall have been made to the Copyright Office and duly registered therein . . ." 17 USC §304(a). "Shall be entitled" seems plainly to mean that registration vests. Judge Thompson, dissenting below, found the language clear to convey that meaning (Appendix A, 18), as did Judge Walker in *Frederick Music Co. v. Sickler*, 708 F.Supp. 587, 589 (SDNY, 1989) and as have others. See Section IID, *infra*. No advocate of second-term vesting, whether the majority below (Appendix A, 5-6) or *Nimmer* (see Section IID, *infra*), has ever suggested that that meaning is clear on the face of the statute. Instead, the majority below found ambiguity in Congress' use of the verb tense "shall have been made" instead of the verb tense "is made." Appendix A, 6.

However, the statutory scheme is that due registration, and not application in and of itself, creates the renewal copyright, and the statute does not authorize registration by the Copyright Office *sua sponte*. "Shall have been made" is thus not ambiguous but appropriate to denote that application elicits Copyright Office review to determine validity and, thereupon, to "duly register". See 43 Ops.Atty.Gen.No.1, 183 USPQ 624, 628 (1974) (because registrations are public records, Copyright Office has duty and discretion to ascertain facts and to insist that applications and certificates show unequivocally facts determinative of the scope, validity and ownership of copyright).

The unsettling of renewal ownerships cannot have been Congress' intention in enacting section 304(a). The Committee

Reports explicitly eschewed the unfairness and confusion that would have attended any effort to modify the substance of old section 24.[10] Because the Copyright Office highlighted the problem for Congress, the renewal rights issue was prominent in the extended development of the 1976 Act. The *Ringer Study* (*supra*, n.4) was the first of several reports made to Congress on the subject by the Copyright Office.[11] Despite the dismissal by the majority below of the *Ringer Study*[12], there is no evidence that Congress considered, or even heard, any refutation of its registration vesting conclusion. The *1961 Report* (see note 11) said:

"The Courts have held that an assignment of future renewal rights by the author is binding if he lives into the

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[10]H.R.Rep. 94-1476, 94th Cong. 2d Sess (1976) at 139; Sen Rep. 94-473, 94th Cong., 1st Sess (1975) at 122: "Subsection (a) of section 304 reenacts and preserves the renewal provision, now in Section 24 of the statute, for all works presently in their first 28-year term. A great many of the present expectancies in these cases are the subject of existing contracts, and it would be unfair and immensely confusing to cut off or alter these interests. Renewal registration will be required during the 28th year of the copyright but the length of the renewal term will be increased from 28 to 47 years."

[11]Others include *Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, 87th Cong., 1st Sess., July, 1961, ("*1961 Report*") at 53; *Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, 89th Cong., 1st Sess., May, 1965 ("*1965 Report*") at 94.

[12]The majority's attempt to refute our argument that Congress' decision to reenact the substance of old section 24 evidenced the intention to perpetuate what had been authoritatively explained to it as the prevailing meaning of that law, i.e. that registration both gave birth to the renewal copyright and vested its ownership in the qualified applicant, is singularly unpersuasive: " . . . [T]hat the *Ringer* study was presented to the 86th Congress, not to the 94th Congress, which passed the 1976 Act some sixteen years later" (Appendix A, 11) does not mean that Congress lost sight of its conclusions, especially so in light of the continuous and extended effort to revise the law and the central role of the Copyright Office in that endeavor. See note 13, *infra*, and text thereto.

28th year and renewal registration is then made in his name. In that situation the author's renewal rights become the property of the assignee as soon as the renewal term begins."

And further (*Ibid*):

"The person entitled to secure the renewal copyright cannot be ascertained until the 28th year . . . An assignee can never be sure of his right to use the work during the renewal term until the time for renewal registration actually arrives."

Between 1961 and 1965, the Register tried to find, and suggested to Congress, ways to overcome problems inherent in the renewal system. As to existing copyrights, all the changes proposed in the 1961 Report were ultimately rejected in the 1965 Report. Congress' determination (see note 10), to embody, substantially unchanged, old section 24 in section 304(a) is directly traceable to the *1965 Report* (p.94), which speaks in terms nearly identical to what ultimately appeared in the 1975 Senate and 1976 House Committee reports:

"As pointed out in the 1961 *Report*, works in their first term are now subject to specific renewal expectancies, many of which have been bargained for and sold. We believe it would be unjust to destroy these expectancies, whether transferred or not, and section 304(a) therefore follows the *Report's* recommendation that the present renewal provision be preserved for these works."

Strikingly, by 1965 the drafting had sufficiently progressed that the renewal section had already been numbered 304(a). The legislative history discloses no contradiction of the *Ringer Study* or the Register's analysis and recommendation for the treatment of pre-revision copyrights. It appears that the renewal issue was Congressionally settled by 1965.

The central role of the Register's office in the entire

process of development of the 1976 Act is well credited.[13] The continuity of that process undermines the majority's dismissal of the significance of the *Ringer Study* to the issue of Congressional intent. The House Report (HR Rep 94-1476 at p.47 *et seq.*) details the steady progress of the bill from its drafting by the Copyright Office in 1965 until enactment. The majority acknowledged that Ringer advised Congress that "'[a]s soon as a valid renewal claim is registered, the renewal is "vested in interest" [creating] a "present fixed right of future enjoyment."'" (Appendix A, 10. Both the faces of the statutes (17 USC §24 (1909) and 17 USC §304(a)(1976)) and the express declarations of Congress establish that Congress in 1976 intended to preserve the law. It follows that Congress understood and intended 17 USC §304(a) to preserve the renewal copyright as a future interest vested upon registration. If, as the majority below wrote (Appendix A, 11) the "primary difficulty with this argument is that the Ringer study was presented to the 86th Congress, not to the 94th Congress, which passed the 1976 Act," then there is no difficulty at all.

Congress understood that an assignee can be sure of his right to use the work during the renewal term when due registration occurs. It appears to have intended §304(a) to operate that way. The majority opinion below threatens

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[13]See HR Rep. 94-1476 at 47 *et seq.*; 1 *Nimmer* (1991 Ed) at vi (Preface to the 1978 Comprehensive Treatise Revision) (acknowledging the "fine hand" of the Copyright Office in the drafting and stating, "Barbara Ringer, the Register of Copyrights, more than any other single person, is responsible for the content of the new law . . .") See also Ringer, *First Thoughts on the Copyright Act of 1976*, 22 N.Y.L.Sch.L.Rev. 477 (1977) reprinted in Copyright, June, 1977, at 187 *et seq*. The evolution of the law ultimately enacted, from the first of the 35 studies of copyright law prepared under the supervision of the Copyright Office, through the *1961 Report* and the Supplementary *1965 Report*, is sketched in the introductory portion of the article. *Copyright* reprint at 187-189. What emerged from Congress and was signed into law in 1976 was, beyond argument, the result of a continuous process, not a 1976 proposal isolated from the many years of study, consideration and development which had preceded.

to upset the rights of an unknowable number of persons who have relied on the straightforward principle that "the act [registration] that extends the copyright for a second 28 year term should also vest the renewal interest so that legal relationships are determined by that act"[14] and throw an unknowable number of copyrights into confusion, dispute and litigation. This case affords an important opportunity to settle the law and to rectify the error of the majority below.

II.

The holding of the Ninth Circuit majority below that the right to own a renewal copyright does not vest in the assignee of an author in whose name the renewal is duly registered unless the author thereafter survives into the renewal term of copyright is in conflict with the law in the Second Circuit and other jurisdictions, the views of the Attorney General and of most legal scholars of copyright, and the views expressed to Congress by the Copyright Office. That holding, further, is inconsistent with the Copyright Office regulations governing renewal applications and with the implications of decisions of this Court.

A. *Fisher* and *Miller Music*: In *Fred Fisher Music Co. v. M. Witmark & Sons, supra,* this Court dealt with the precise issue whether the 1909 Act nullified an author's prior assignment of his renewal right. It held that the Act did not. In *Miller Music, supra*, this Court held that a prior assignment, though valid, was only of an expectancy which might not mature if the author failed to live to the "renewal period". Clearly implicit in both opinions is the underlying general law premise that the holder of a valid assignment stands precisely in the shoes of his assignor. Neither case suggested that an assignee's burdens or conditions are more stringent than those of the assignor author.

It is unclear whether the majority below holds that Blackwell's renewal copyright failed to vest. The majority

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[14]*Schrader*, op.cit. *supra*, n.6 at 298-299.

holding appears to distinguish the burdens and conditions to be borne by an assignee from those borne by the assignor-author, *viz:* "We hold that §304(a) permits a renewal interest to vest in an author's assignees only if the author survives to the start of the renewal term." Appendix A, 17.

Of course, no conflict arises between an author who conveys neither the renewal right nor the registered renewal and the author's §304(a) successors: if the author lives into the renewal term, his successors have no claim; if not, the issues will be drawn between statutory successors and those claiming by reason of a voluntary act of the author. The latter may include post registration transferees.[15] The holding below sweeps broadly enough to mean that conveyances made by a registrant remain conveyances of an expectancy to vest only if the registrant lives into the renewal term.[16] In this context, the second term vesting rule is purely a restraint on the author's (or in a surviving spouse or child renewal registration, upon their) power of alienation of the renewed copyright. *Fisher* and *Miller Music*, however, appear to have contemplated the renewal right to be inchoate until timely registration, absent which there would be no property to be owned. But once the property is created by registration, those cases imply that it is fully disposable. Contrariwise, what the majority below treats as a mere expectancy is more than the timely power to apply for and obtain registration, but the matured property interest itself.

B. *The Second Circuit and other cases*: Expressions of the registration vesting rule abound in opinions emanating both from the Court of Appeals for the Second Circuit and

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[15]The possibilities here include not only all forms of licenses and assignments, but gifts in trust and testamentary gifts outside the §304(a) line.

[16]The majority below apparently contemplated that broad a sweep to the holding, in that the opinion observes that expectancies can be sold (Appendix A, 17), but it offers no comment on marketability of, or prices obtainable for, expectancies *vis-a-vis* vested future interests.

from District Courts within that Circuit. They both precede[17] and follow[18] the 1976 Act. Similarly, bracketing the adoption of the Act, are the Tennessee District Court opinion in *Hill & Range Songs, Inc. v. Fred Rose Music, Inc.,*[19] and its affirmance by the Court of Appeals for the Sixth Circuit[20] in which the registrant-assignor was the widow of the author. Indeed, before this case the Ninth Circuit had said that vesting occurred in the "renewal period", and that phrase was said to be the year prior to expiration of the original term of copyright.[21]

Although many of these expressions may be dicta, their number, the lengthy span of time over which they have been

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[17]Court of Appeals opinions: *Gordon v. Vincent Youmans, Inc.*, 358 F.2d 261, 264 (2d Cir., 1965); *Rose v. Bourne* 270 F2d 79, 80 (2d Cir., 1960) *cert. den.* 364, US 880 (1960); *Rossiter v. Vogel*, 134 F2d 908, 911 (2d Cir 1943), *after remand* 148 F2d 292 (2d Cir., 1945); *Silverman v. Sunrise Pictures Corp.* 273 Fed. 909, 913 (2d Cir., 1921); District Court opinions: *Picture Music, Inc. v. Bourne, Inc.*, 314 F.Supp. 640, 644 (SDNY 1970); *Davis v. E.I. DuPont de Nemours & Co.*, 240 F. Supp. 612, 626 (S.D.N.Y., 1965); *Cresci v. Music Publishers Holding Corporation*, 210 F.Supp. 253, 255, 259 (S.D.N.Y., 1962); *Tobias v. Joy Music, Inc.*, 204 F.Supp. 556, 559 (S.D.N.Y., 1962); *Rose v. Bourne, Inc.*, 176 F.Supp. 605, 609-610 (S.D.N.Y. 1959); *Carmichael v. Mills Music*, 121 F.Supp. 43, 45 (S.D.N.Y. 1954).

[18]District Court cases: *Frederick Music Co. v. Sickler*, 708 F.Supp. 587, 589, 592 (S.D.N.Y., 1989); *Capano Music v. Myers Music, Inc.*, 605 F.Supp. 692, 694-695 (S.D.N.Y. 1985).

[19]403 F.Supp 420, 429 (M.D. Tenn., 1975).

[20]570 F2d 554 (6th Cir., 1978).

[21]*Abend v. MCA, Inc,*; 863 F2d 1465, 1475-1476 (9th Cir., 1988), *aff'd sub nom. Stewart v. Abend*, 495 US 207, 110 S Ct. 1750, 109 LEd 2d 184 (1990).

articulated, and the absence of substantial contradiction[22] invest even the dicta with authority. Moreover, not all are mere dicta. *Frederick Music Co. v. Sickler, supra*, 708 F.Supp. at 589, 592, is squarely a holding that the renewal copyright vests in interest upon registration, and was so recognized by the majority below. Appendix A, 15. Its facts present a mirror image of this case.

The leading case in the Second Circuit on the time of vesting issue is *Rose v. Bourne, Inc., supra*, 176 F.Supp. at 609-610, *aff'd*, 279 F2d at 80. In *Rose*, two of the three authors of the work survived into the renewal term of

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[22]The Ninth Circuit majority below cited only one earlier judicial expression of the second-term vesting rule, *Arlen v. Comm'r*, 48 T.C. 640, 646-647 (T.C. 1967), to which it accorded no weight. Appendix A, 14-15. Although the majority below characterized *Arlen* as having "squarely ruled whether an author must survive the start of the renewal term for his renewal interest to vest in his assignees," the case does not warrant that regard. The case turned on the issue whether monies received for a block grant of renewal expectancies should be treated as a loan, as the taxpayers contended, or as an advance payment of royalties, as the Internal Revenue Service claimed. Holding for the taxpayers, the Tax Court observed that the assignee took a substantial risk that the renewal expectancies might not vest because the assignors (author and wife) might not survive. Although the court deemed the necessary survival date to be the start of each work's renewal term, its holding turned on the perception of contingency rather than the vesting dates, hence would seemingly have been no different had it understood the rights to vest on registration in the respective 28th years.

Only one other second-term vesting dictum has been found, in *Trust Co. Bank v. MGM/UA Entertainment Co.*, 772 F2d 740, 742 (11th Cir., 1985). Citing *Miller Music, supra*, the court observed as a threshold matter that the executor of an author who had conveyed renewal rights but died in the 14th year of the original copyright term was not bound by the author's grant, "because Mrs. Mitchell died before the initial term of copyright in the novel expired." Manifestly, the author's death had occurred before registration in the 28th year was effected as well, hence the dictum carries no weight on the time of vesting issue.

copyright. The third apparently did not,[23] and his executor was joined in his place in the litigation between the authors-assignors and their assignee's successor under an April 19, 1923 assignment. The Ninth Circuit majority below sought to distinguish *Rose*, claiming (Appendix A, 14) that "that case was concerned with the validity of an assignment, and not with the time of vesting of a registered renewal copyright." However, the distinction fails, because the District Court in *Rose* reached the issue "whether [the assignee's] title is such as would be supported by a court of equity" (176 F.Supp. at 611) only after first holding, on the premise that "All of the [authors] were still alive at the time[s] of these [renewal] filings" (*Id* at 608), that the assignment was legally valid and "effective as a present assignment of the expectancy of the renewal" (*Ibid*); that "the assignment of the expectancy implies a power of attorney in the assignee to make the application in the name of the author" (*Ibid*); which "does not require cooperation of the [author] . . . and that might be exercised by the assignee all by himself" (*Id* at 609); and that, subject to considerations of equity which might vitiate the assignment of an expectancy (*Id* at 611), "ownership of the renewal right would have vested in the [assignee] at the moment of its creation." Id at 610-611.[24]

The Second Circuit opinion adopts the District Court's "excellent analysis of the [equity-based attack on the assignment] as applied to the facts of this case" (279 F2d

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[23]The relevant dates were: Original copyright registration as an unpublished work, April 23, 1923 (176 F.Supp. at 607); registration as a published work, May 17, 1923 (*Ibid*); renewal registration as an unpublished work, May 16 and May 17, 1950 (*Ibid*); date of death of co-author "sometime subsequent to May 17, 1950" (279 F2d at 80).

[24]The District Court in *Rose* went on to inquire into those considerations of equity as it felt itself bound to do under *Rossiter v. Vogel*, 148 F2d 292, 293-294 (2d Cir., 1945). It bears emphasis that in the instant case, no claim has ever been made that the assignment lacked equity, and the District Court and Ninth Circuit majority opinions below do not suggest reliance upon any such grounds. Indeed, as indicated in the text, the majority below distinguished *Rose* on that ground.

at 80) and proceeds to hold that an "author may assign [the renewal] expectancy and the assignment is valid against the world if the author is alive at the commencement of the renewal period. [Citing *Fisher* and *Miller Music*.] In this case the renewal period began on April 24, 1950 [the first day of the 28th year], and since all three authors were alive on that date, the case falls within the rule of *Fred Fisher Music Co. v. M. Witmark & Sons, supra*." *Ibid*.

Although some have read *Rose* to hold "that the renewal interest vests on the first day of the last year of the original term" (2, *Nimmer* at 9-60 and n.23 [§9.05[c]), implying that the Second Circuit might have overlooked the need for registration in order to vest the renewal copyright, that suggestion is rebutted by the language in which the Court deposited its holding (279 F2d at 81):[25] "Therefore we affirm Judge Dimock's conclusion that appellee, having made a timely filing for renewal, is the present legal owner of the renewal copyright."

The majority holding below is in irreconcilable conflict with *Rose* and the many other indications of what the law on renewal vesting is in the Second Circuit (and apparently the Sixth, as well).

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[25]*Miller Music*, as we have earlier observed, appears to recognize that there are two separate vestings implicit in the statute, the first being the immediate right to apply for renewal registration and the second ownership of the registered renewal copyright itself. 362 US at 375. Until the beginning of the last year of the original copyright term, both the right to apply and the renewal copyright are expectancies. When that year begins, however, the right to apply becomes vested in the author if he lives and, if not, in his statutory successors in descending order. Even that right remains an expectancy for those later in the ranking so long as anyone occupies a prior position. *Yardley v. Houghton Mifflin Co.*, 25 F.Supp. 361, 363 (S.D.N.Y. 1938) (registration by next of kin void where executor existed). Only if the vested right to apply is exercised by one then entitled does the renewal copyright spring into being as property. These elemental understandings clarify any doubts about the appellate opinion in *Rose*.

C. *Copyright Office views and regulations*: The majority below states that "the Register has *not* expressed an opinion on the time-of-vesting issue," that no regulation speaks to the issue and that there exists no authoritative agency interpretation of section 304(a) "to which deference is due." Appendix A, 12; original emphasis. Respectfully, we differ.

A large portion of section I above is devoted to retracing the views of the Register as to the time-of-vesting issue in respect of old section 24, and the ultimate recommendation that that section be preserved essentially unchanged (as it later was) for copyrights existing on the effective date of the 1976 Act.[26] The fact that §304(a) is so close a reenactment of §24 makes the Register's comments on the former section equally cogent as to the later.

Pursuant to the rule-making power conferred by 17 USC §702 (1976), the Copyright Office has promulgated regulations governing the application and registration of claims for renewals. 37 C.F.R. §202.17 (1990).[27] We believe the regulation harmonizes only with registration vesting. The regulation recognizes vesting of the right to apply only in the statutory order, *viz*: " . . . [R]enewal claims may be registered only in the name(s) of the eligible person(s) falling within one of the following classes of renewal claimants specified in section 304(a) of the copyright law." 37 C.F.R.

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[26]Though they were briefed, the majority opinion below fails to mention either the Register's *1961 Report* or the supplementary *1965 Report*. The *Ringer Study* is mentioned, but, having ignored the continuity of its explication of the law through the *1961* and *1965 Reports* to the statute as enacted, the majority below found "no explicit approval of Ringer's time-of-vesting analysis." Appendix A, 11. It is submitted that the majority below here failed to observe what was plain to be seen.

[27]Just as §304(a) is virtually identical to old §24, the current regulations under the 1976 Act appear essentially the same in this respect as the rules and practices of the Copyright Office under the 1909 Act. Compare, *Schrader*, *op.cit. supra* note 6, at 300. The regulations rely on an Opinion of the Attorney General, 28 Ops.Atty.Gen. 162 (1910). See *infra*, section IID.

§202.17(f); emphasis added. And further, ". . . [T]he renewal claim may be registered in the name(s) of the following person(s) in descending order of eligibility:

"(A) The author of the work, if still living;
"(B) The widow, widower, or children of the author, if the author is not living:
"(C) The author's executors, if there is a will and neither the author nor any widow, widower, or child of the author is living;
"(D) The author's next of kin, in the absence of a will and if neither the author nor any widow, widower, or child of the author is living." 37 CFR §202.17(f)(1)(iii).

Class (A)'s words "if still living" echo the statute and qualify the right to apply. So long as that right remains vested in a prior class, it remains merely an expectancy for someone in a later class,[28] even at the risk that the eligible claimant will fail to exercise. If the eligible claimant fails to apply, the right clearly must lapse at the end of the renewal year, and the work passes into the public domain regardless that the occupants of later classes might have wished otherwise.

Since the regulation, like the statute, clearly contemplates that the right to apply may be exercised at any time during the renewal year, the author's death during that year must necessarily permit the descent of an *unexercised* right to apply to the next statutory class occupied by an eligible claimant.[29]

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[28]Indeed, by definition, some members of the later classes could not claim existence so long as someone fills the prior class. A living author, albeit married, does not have a "widow" or "widower," and the factual possibility of a living author revoking a will, making a new will or making a codicil precludes determination of the executor's identity until after the author's death. See *Schrader*, *supra* note 6, at 300.

[29]As stated in the *Ringer Study*, at 186: "However, should the person entitled to claim die before his application is submitted, the rights of his heirs, legatees, or assignees are cut off, and the members of the next statutory class become entitled to claim."

But, contrariwise, the provision that "renewal claims may be registered only in the name(s) of the eligible person(s) falling within one of the following classes of renewal claimants specified in section 304(a)" (emphases added) must mean that registration in the name of one in a higher class exhausts the right to apply.[30] Due registration in the name of a claimant in class A would appear to preclude a second registration by a member of class B, C or D despite later death of the first registrant. This reading puts the regulation in direct conflict with the majority holding below. Exhaustion by application and registration of the right to apply necessarily means that the initial registration creates the property interest in the renewal copyright. Although at creation it is a future interest which requires some time passage to become a possessory interest, that property interest is necessarily vested in the registrant and, under *Fisher*, in his or her assignee.

This reading of the regulation is neither strained nor should it come as any surprise when it is remembered that the regulation emanates from the same agency which, *first*, advised Congress in 1960, in the *Ringer Study*, that "As soon as a valid renewal claim is registered, the renewal is 'vested in interest'--that is, there is a present fixed right of future enjoyment;"[31] *then*, in 1961, again advised Congress that an assignee could be sure of his right to use the work during the renewal term when "the time for renewal registration actually arrives," though not before (*1961 Report* at 53); and *finally* urged Congress in 1965 that it would be unjust to change the law as it had been articulated, because many

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[30]This language must also mean that joint applications by persons in different classes are unregistrable. See, however, 37 CFR §202.17(f)(2) and (3) for special situations where joint applications (e.g. administrator c.t.a. after estate fully administered and next of kin) may be registered.

[31]*Ringer* at 185-186. The report continues:

"(a) At this point the rights of the group entitled to claim are determined and indefeasible, and the contingent rights of the other statutory classes are cut off and destroyed. The death, during the renewal year, of the registered claimant . . . will not affect the validity of the renewal . . . [or] the rights of assignees . . . "

renewal expectancies had been bargained for and sold (*1965 Report* at 94), advice which Congress accepted. S.Rep. 94-473 at 122; H.R. Rep 94-1476 at 139.

Just as there is no indication of any Congressional change of understanding or intention during the gestation of the 1976 Act, there is no indication in the ensuing years of the Register's departure from the position expressed in the *Ringer Study*, albeit that deference is shown to the ultimate power of this Court to decide.

D. *Legal and scholarly opinions:* The majority opinion below also conflicts with a great body of legal and scholarly opinion regarding the vesting of renewal copyrights.

Two opinions of the Attorney General of the United States bear on the subject. In the first[32], written soon after adoption of the 1909 Copyright Act, the Attorney General characterized the statute (then 17 USC §23) as one which stated "with . . . particularity the persons who may exercise the privilege . . . of having [copyright] renewed and the order in which the right vests . . . " 28 Ops Atty Gen at 165. Recognizing the validity of assignments made before renewal (*Id* at 169), the opinion advised the Copyright Office to "grant a renewal" to no one other than the person or persons named in the statute. *Id* at 170.

The Copyright Office has, accordingly, long permitted renewal registration in the name of no one but the eligible person in the highest existent statutory class. Importantly, the Attorney General's use of the term "grant a renewal" suggests that the property interest in the renewal copyright was understood to arise and vest upon registration.

Half a century later, that understanding remained

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[32]28 Ops Atty Gen 162 (1910).

unchanged:[33] "Renewal is effected by registration in the Copyright Office of an application made during the last year of the original term." 183 USPQ at 625. The renewal could scarcely be said to be "effected by registration" if, in addition to survival to that date, a further condition of survival to the renewal term were also read in. Nothing in the statute separates the creation of the renewal copyright from its unqualified ownership.

A large body of scholarly authority supports registration vesting of the renewal copyright. The *Ringer Study*[34] and the *Schrader* article[35] have already been extensively discussed. Others include Bricker, *Renewal and Extension of Copyright*, 29 USC LRev. 23, 26 (1955);[36] Brown *Renewal Rights in Copyright*, 28 Cornell L.Q. 460, 476 (1943);[37] B. Kaplan, *An Unhurried View of Copyright* 112 (Columbia University Press, 1966, 1967);[38] Kupferman, *Renewal of Copyright*, 44 Col.L.Rev.

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[33]43 Ops. Atty. Gen. No.1, 183 U.S.P.Q. 624 (1974)

[34]Supra note 4.

[35]Supra note 6.

[36]"It would seem that under the present law the date of application is the crucial date. If a timely application is made, the death of the applicant prior to the beginning of the renewal term will not defeat the rights of his heirs, legatees or assigns." [Footnotes omitted.]

[37]". . . [I]f the author survives the twenty-seventh year and obtains the renewal . . . [the renewal interest] is property like any other and a testator may dispose of it in any way he sees fit."

[38]"We now have a term of twenty-eight years, with a second term of twenty-eight years *if renewal registration is made in the last year of the initial period* [citing then Section 24] . . . The effect of the *Fred Fisher* case [citing *Fisher*] and other authorities is that if the author is dead *when the twenty-eighth year comes round*, the renewal reverts, free and clear, to his widow, children, and so forth in a fixed order of precedency; but *if the author is alive in that year, the original sale holds and there is no reversion*." [Footnotes omitted; emphasis added.]

712, 733 (1944)[39]; 2 A. Socolow, *The Law of Radio Broadcasting* 1218 (Baker, Voorhis & Co., 1939); 1 P. Goldstein, *Copyright* 451-2 (Little, Brown & Co., 1989);[40] H.Henn, *Copyright Primer* 120 (Practicing Law Institute, 1979);[41] S. Shemel and M. Krasilovsky, *This Business of Music* 137 (Billboard Publications, Inc., 4th Ed 1979)[42]. Other similar scholarly expressions are collected by Ms. Schrader, *op.cit. supra* n.6. at 302, note 105. As Ms. Schrader sums the matter up (*Id* at 298-299):

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[39]"Under the Acts of 1790 and 1831 there was a definite requirement of survival until the end of the first period in order to acquire a further term. The words '. . . at the expiration of said term . . .' and '. . . at the expiration of the aforesaid term of years . . ' dispel all doubt. The Act of 1870 dropped this terminology and gave the renewal term if the proper steps were taken and the person was alive within six months before the expiration of the first term. The present Act contains a similar statement merely lengthening the period for compliance with formalities to one year before the expiration of the first term. Therefore it would seem that survival until the end of the basic term is unnecessary and that, once vested, the renewal term cannot be divested by the death of the applicant. This interpretation is only fair; adoption of the alternative view would mean that any action taken with regard to application and registration of the renewal would have been for naught if the applicant died before the end of the twenty-eighth year. Someone else would become entitled and would have to take the necessary steps with possibly little time remaining in which to do so. Furthermore, the alternative view would cause uncertainty as to ownership and thus constitute a further burden on modern commercial bargaining processes." [Footnotes omitted.]

[40]"The plain language of section 304(a) suggests that vesting occurs on the date the renewal is registered (quoting statute)."

[41]"Such renewal expectancy is assignable and effective if the assignor is the proper renewal claimant at the time of renewal." [Footnote omitted.]

[42]"While the courts uphold assignments of the renewal right, the fulfillment of the assignments depends upon the survival of the author into the renewal year."

> "Indeed, Section 24 seems to imply that the renewal interest vests upon registration of the renewal claim * * *. It is submitted that the date of compliance with the registration formality establishes the natural vesting date. This interpretation of the statute makes the most sense: the act that extends the copyright for a second 28 year term should also vest the renewal interest so that legal relationships are determined by that act. The act that gives life to the second term should also vest the renewal interest. Of course, the renewal would not be reduced to a possessory interest until the second term had actually begun."

Only one scholarly work of note has suggested that the statute might be construed to require continued survival past registration and into the second term of copyright in order that ownership of the registered renewal copyright vest. 2 *Nimmer* at 9-59--9-61. That suggestion is offered rather tentatively ("If this conclusion is correct . . ."), and only the *Arlen* case, *supra* n.22, is cited as having adopted that view.

Recognizing that the Act of 1870, the Act of 1909 and the Act of 1976, alike, did not "expressly [require] that [the author] must be alive at the beginning of the renewal term" (Appendix A, 8-11), the majority below engrafted such an implicit requirement on to each of those statutes. This, it is submitted, goes beyond construction and intrudes into the legislative arena, for if Congress had intended to preserve the second term survival requirement, it surely, having done so before, knew how to do so again. The majority opinion below rejects the plain language of the statute and ignores powerful evidence of both Congressional intent and the prevailing understanding of a virtually identical statute and should be reversed.

CONCLUSION

The language of the statute is plain. An author becomes

"entitled" to the renewal copyright "*when* application . . . shall have been made . . . and duly registered" in the Copyright Office. The majority below seeks to avoid that plain meaning by faulting the grammar, suggesting that the "logical phrasing would be when application *is made*" if registration were to vest. Appendix A, 6. But it is not the application which creates the renewal as "is made" would imply; it is the registration. "Shall have been made" plainly means that the Register must scrutinize applications to ascertain the applicant's eligibility and the application's validity. See 43 Ops Atty Gen, No.1, *supra*, 183 USPQ at 628. The clarity of the statute is emphasized not only by the statements of those who have declared it clear, such as Judge Thompson below, Judge Walker in *Frederick Music, supra*, 708 F.Supp at 509, and Professor Goldstein, *op.cit supra* at n.40, but by the conclusions of so many within the Second Circuit and its District Courts, the Copyright Office, the Attorney General and the legal community who have paused to consider its language. Entitlement--vesting--occurs upon due registration. The majority below err in that they insert words into the statute which Congress removed in 1870 and never put back, and thereby the majority below reach a conclusion markedly different from that which all reliable indications show Congress to have meant.

For all of the foregoing reasons, it is respectfully urged that a writ of certiorari issue to the United States Court of Appeals for the Ninth Circuit to settle the important question of Federal statutory law of vesting of ownership of the renewal copyright under 17 USC §304(a); to resolve the conflict between the majority decision below and the law as applied within the Second Circuit, the administrative practice and regulations, and the views of the overwhelming number of scholars who

have reviewed the question; and to reverse the judgment below.

Dated: March 19, 1992

Respectfully submitted,

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APPENDIX A

FOR PUBLICATION

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOHN MARASCALCO, d/b/a Robin Hood Music,
Plaintiff-Appellee,
v.
FANTASY, INC., d/b/a/ Jondora/ Parker Music,
Defendant-Appellant.

No. 90-56372
D.C. No. CV-88-0675-TJH
OPINION

Appeal from the United States District Court
for the Central District of California
Terry J. Hatter, District Judge, Presiding

Argued and Submitted
November 6, 1991—Pasadena, California

Filed December 30, 1991

Before: Jerome Farris, Harry Pregerson and David R. Thompson, Circuit Judges.

Opinion by Judge Farris; Dissent by Judge Thompson

SUMMARY

Intellectual Property

Affirming a district court judgment, the court of appeals held that Sec. 304(a) of the Copyright Act of 1976 permits a renewal interest to vest in an author's assignees only if the author survives to the start of the renewal term.

John Marascalco and Robert Blackwell co-authored a song. Ownership of that song was later assigned to Venice Music, Inc., in exchange for royalties. This assignment transferred both the copyright and renewal right in the song. Subsequently, Venice assigned all of its rights in the song to Argosy Venture who later assigned those rights to appellant Fantasy, Inc. Marascalco made a timely renewal registration for the song on behalf of himself and Blackwell. After Blackwell's subsequent death, his daughters, as successors under § 304(a) of the Copyright Act assigned all of their interest in the song to Marascalco. Fantasy then refused to recognize Marascalco's renewal interest in that one-half of the royalties traceable to Blackwell's authorship of the song. The district court entered judgment for Marascalco.

[1] The language of § 304(a) could be fairly read as describing that if a renewal interest is to vest at all, it must be perfected by a timely registration application. So read, the statute suggests that Congress was intent on specifying the time for registration and not the time for vesting. **[3]** The legislative history also supported an interpretation of § 304(a) that perpetuates the explicit survival requirements of the 1790 and 1831 Acts. **[4]** There was no authoritative agency interpretation of the § 304(a) time-of-vesting issue to which deference was due. **[5]** In addition, the court rejected Fantasy's policy arguments as not enough to disturb the reading that best comported with statutory intent. Accordingly, the court held that § 304(a) permits a renewal interest to vest in an author's assignees only if the author survives to the start of the renewal term.

Judge Thompson dissented, stating that the language of the statute was clear: An author is entitled to a renewal term when application for such renewal and extension shall have been made.

COUNSEL

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Evan S. Cohen, Cohen and Luckenbacher, Los Angeles, California, for the plaintiff-appellee.

OPINION

FARRIS, Circuit Judge:

Fantasy, Inc., appeals from a judgment in favor of John Marascalco on his claim for a declaration of rights in a renewed copyright. The district court held that Fantasy's interest, acquired in an assignment of a copyright renewal and registered pursuant to § 304(a) of the Copyright Act of 1976, failed to vest before the assignor's death. We affirm.

I

The facts are undisputed. John Marascalco and Robert Blackwell jointly authored the song "Good Golly Miss Molly" in 1956. By an agreement dated July 23, 1956, Marascalco and Blackwell assigned ownership of the song to Venice Music, Inc., in exchange for royalties. This agreement transferred both the copyright and renewal right in the song to Venice. Venice copyrighted the song on January 22, 1957.

On or about March 31, 1973, Venice assigned all of its rights in the song to Argosy Venture, a Bahamian partnership. On or about January 1, 1981, Argosy assigned those rights to Fantasy.

On January 18, 1985, Marascalco made a timely renewal registration for the song with the Register of Copyrights on

behalf of himself and Blackwell. On March 9, 1985, Blackwell died. Blackwell's daughters, Sandra Blackwell McClendon and Kelly Blackwell, were his successors, under § 304(a) of the Copyright Act of 1976.

On March 15, 1986, Blackwell's daughters assigned all of their interest in the song to Marascalco in exchange for future royalties. On or about November 20, 1986, Marascalco notified Fantasy that he claimed the renewal interest in that one-half of the song's royalties traceable to Blackwell's authorship. Fantasy rejected Marascalco's claim, and this suit followed.

Marascalco is entitled to royalties under the 1956 agreement. He does not challenge Fantasy's right to ownership of that one-half of the copyright attributable to his authorship. His claim of ownership derives only from the other half of the copyright, traceable to Blackwell's authorship.

II

The issue on appeal involves a pure question of law, which we review *de novo*. *See, e.g., Dean v. Trans World Airlines, Inc.*, 924 F.2d 805, 811 (9th Cir. 1991); *United States v. McConney*, 728 F.2d 1195, 1201 (9th Cir.) (en banc), *cert. denied*, 469 U.S. 824 (1984).

III

The district court held that, notwithstanding timely registration of the renewed copyright, the renewal right, assigned by Blackwell under the 1956 agreement, was a mere expectancy pending a determination of whether Blackwell would survive to the beginning of the renewal term. Because Blackwell did not survive until the start of the renewal term, January 1, 1986, the district court held that the renewal right did not vest in Fantasy, as Blackwell's ultimate assignee. Fantasy, relying upon (a) the plain language of the Copyright Code, (b) its leg-

islative history, (c) its administrative treatment, (d) case law and (e) policy, contends that this was error.

A

The Statutory Language — 17 U.S.C. app. A § 304(a) (1989) provides:

> Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for twenty-eight years from the date it was originally secured .... *And provided further*, ... the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors ... shall be entitled to a renewal and extension of the copyright in such work for a further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of copyright ....

Fantasy argues that the plain meaning of "shall be entitled" can only signify a Congressional determination that an assigned renewal copyright interest should vest "when" a registration application is made. Fantasy's analysis suggests that registration is a *sufficient* condition for vesting, but it overlooks certain implications of the language.

[1] The "shall be entitled"/"when" language of § 304(a) can be fairly read as describing merely a *necessary* condition. If a renewal interest is to vest at all, it must be perfected by a timely registration application. The clause following "when" addresses itself to the mechanics of filing a timely registration application. So read, the statute suggests that Congress was intent on specifying the time for registration and not the time for vesting.

[2] Moreover, the statutory language must be construed as a whole. The phrase "shall have been made" gives meaning to the word "when." It signifies that filing of a renewal application is a condition precedent to vesting. If, in addition, "when" was intended to indicate vesting of renewal rights, the logical phrasing would be "when application *is made*" rather than "shall have been made."

Subsection 304(b) provides that "[t]he duration of any copyright . . . for which renewal registration is made between December 31, 1976, and December 31, 1977, inclusive, is extended to endure for a term of seventy-five years from the date copyright was originally secured." Fantasy argues that, under this provision, it is the act of registration, without more, which secures the extension and that, by analogy, the same is true under § 304(a).

Fantasy recognizes that § 304(b) was intended to cover "the special situation of a subsisting first-term copyright that becomes eligible for renewal registration during the year before the [Copyright Act of 1976] comes into effect." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 140 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5756. Fantasy fails to recognize, however, that the solution Congress devised for that special situation effectively avoided the time-of-vesting issue by treating the copyright "as if it were *already subsisting in its second term*." *Id.* (emphasis added). Because § 304(b) skirts the time-of-vesting issue entirely, it lends no support to Fantasy's analysis.

Since the statutory language is susceptible to more than one interpretation, Fantasy's plain meaning analysis fails.

B

The Legislative History — Although commentators disagree, the better view is that § 304(a) implicitly reflects the vesting language of earlier statutes, requiring an author to sur-

vive to the start of the renewal term in order for the renewal copyright interest to vest in his assignees.

The renewal provision of the Copyright Act of 1976 has antecedents reaching back to the colonial era. *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 647 (1943). The Statute of 8 Anne c. 19, which formed the basis for American copyright law, did not expressly provide that an author could assign his renewal interest during the original term. *Id.* But English courts glossed the statute to hold that the author's right of renewal, although contingent on his survival to the start of the renewal term, could be assigned during the original term. *Id.* at 647-48.

The first Congress, by the Act of May 31, 1790,[1] enacted copyright legislation that reflected its statutory forebears. *Id.* at 650. It also required, at § 1, that an author survive to the beginning of the renewal term in order for anyone to continue to enjoy "the same exclusive right" enjoyed during the original term. *Id.*

The Act of February 3, 1831,[2] maintained the explicit vest-

[1]The text of the renewal provision is as follows:

> And if, at the expiration of the said term, the author or authors, or any of them, be living, and a citizen or citizens of these United States, or resident therein, the same exclusive right shall be continued to him or them, his or their executors, administrators or assigns, for the further term of fourteen years: *Provided*, he or they shall cause the title thereof to be a second time recorded and published in the same manner as is herein after directed, and that within six months before the expiration of the first term of fourteen years aforesaid.

Act of May 31, 1790, ch. 15, § 1, 1 Stat. 124, 124.

[2]The full text of the renewal provision reads as follows:

> *And be it further enacted*, That if, at the expiration of the aforesaid term of years, such author, inventor, designer, engraver, or any of them, where the work had been originally composed and

ing language of the 1790 Act. It amended the 1790 Act in one significant respect by providing in section 2 that "the renewal term . . . could pass to the author's widow or children if he did not survive the original term." *Id.* The House Committee on the Judiciary noted, in reference to this change, that "by the very event of the death of the author, his family stand in more need of the only means of subsistence ordinarily left to them." *Id.* at 651 (quoting Register of Debates, vol. 7, app. CXIX).

The Act of July 8, 1870,[3] unlike its predecessors, only required the author to survive, without expressly requiring that he must be alive at the beginning of the renewal term. The Act of March 4, 1909,[4] as well as its successor, the provi-

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made by more than one person, be still living, and a citizen or citizens of the United States, or resident therein, or being dead, shall have left a widow, or child, or children, either or all then living, the same exclusive right shall be continued to such author, designer, or engraver, or, if dead, then to such widow and child, or children, for the further term of fourteen years: *Provided*, That the title of the work so secured shall be a second time recorded, and all such other regulations as are herein required in regard to original copyrights, be complied with in respect to such renewed copyright, and that within six months before expiration of the first term.

Act of February 3, 1831, ch. 16, § 2, 4 Stat. 436, 436-37.

[3]The full text of the renewal provision states:

And be it further enacted, That the author, inventor, or designer, if he be still living, and a citizen of the United States or resident therein, or his widow or children, if he be dead, shall have the same exclusive right continued for the further term of fourteen years, upon recording the title of the work or description of the article so secured a second time, and complying with all other regulations in regard to original copyrights, within six months before the expiration of the first term. And such person shall, within two months from the date of said renewal, cause a copy of the record thereof to be published in one or more newspapers, printed in the United States, for the space of four weeks.

Act of July, 8, 1870, ch. 280, § 88, 16 Stat. 198, 212-13.

[4]The full text of the renewal provision is as follows:

That the copyright subsisting in any work at the time when this

sion presently in effect, have carried forward the approach of the 1870 Act, requiring survival without specifying survival to a specific time to ensure vesting.

The significance of the 1870 alteration is critical. If, as Professor Nimmer argued, there is no indication of an intent to depart from earlier copyright law, then the legislative history leans toward the position that an author must survive until the start of the renewal term in order for his assignees to claim a vested interest through him. *See* M. Nimmer & D. Nimmer, 2 *Nimmer on Copyright* § 9.05[C] at 9-60 (1991). Barbara Ringer, one of the chief authorities on which Fantasy relies, stated that the 1870 Act retained the renewal provisions of the 1831 Act without substantial change, and she noted that "in the fragmentary history there is no indication that any change was considered or even suggested." B. Ringer, Renewal of Copyright (1960), *reprinted as* Copyright Law Revision Study No. 31, Sen. Judiciary Comm., 86th Cong., 2d Sess. 105, 111-12 (1961) (citing *De Sylva v. Ballentine*, 351 U.S. 570, 576 (1956) ("[W]hat scant material there is indicates that no substantial changes in the Act were intended.")); *see also*

> Act goes into effect may, at the expiration of the term provided for under existing law, be renewed and extended by the author of such work if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then by the author's executors, or in the absence of a will, his next of kin, for a further period such that the entire term shall be equal to that secured by this Act, including the renewal period: *Provided, however*, That if the work be a composite work upon which copyright was originally secured by the proprietor thereof, then such proprietor shall be entitled to the privilege of renewal and extension granted under this section: *Provided*, That application for such renewal and extension shall be made to the copyright office and duly registered therein within one year prior to the expiration of the existing term.

Act of March 4, 1909, ch. 320, § 24, 35 Stat. 1075, 1080-81 (formerly § 23).

Cong. Globe, 41st Cong., 2d Sess. 2854 (1870) (statement of Mr. Jenckes) ("The committee . . . have carefully preserved every existing right [contained in extant copyright law] . . . .").

If, on the other hand, the 1870 Act represents a fundamental shift in the Congressional conception of the time-of-vesting issue, as Judge Kupferman argued, then the legislative history inclines toward the view that "survival until the end of the basic term is unnecessary" in order to vest the renewal interest in the author's assignees. *See* Note, Renewal of Copyright, 44 Colum.L.Rev. 712, 733-34 (1944); *see also* S. Bricker, Renewal and Extension of Copyright, 29 S. Cal. L. Rev. 23, 26 (1955); D. Schrader, Vesting Date of the Renewal Copyright Interest, 19 Bull. Copyright Soc'y U.S.A. 279, 282-84 (1972). Judge Kupferman's analysis, however, is less authoritative in our view because it makes no reference, beyond the fact of the textual change, to the legislative history of the renewal provision. *Id.*

The conclusion that the 1870 Act did not effect a fundamental change finds support in the legislative history of the 1909 Act: "The right of renewal is contingent. It does not vest until the end [of the original term]. If [the author] is alive at the time of renewal, then the original contract may pass it, but his widow or children would not be bound by that contract." 5 Legislative History of the 1909 Copyright Act, part K, 77 (E. Brylawski & A. Goldman eds. 1976) (statement of Mr. Hale) (*quoted in Stewart v. Abend*, 110 S.Ct. 1750, 1759 (1990) (bracketed material included)). This language suggests that the 60th Congress looked past the 1870 Act to the earlier acts in order to clarify the time-of-vesting issue.

Despite her perception that the 1870 Act did not fundamentally alter earlier renewal law, Ringer contended that "[a]s soon as a valid renewal claim is registered, the renewal is 'vested in interest' [creating] a 'present fixed right of future enjoyment.' " Ringer at 186. Fantasy contends that this inter-

pretation of the 1909 Act, brought to the attention of Congress, must control the interpretation of the 1976 Act, which perpetuated the language and substance of its predecessor. We reject this contention. The primary difficulty with this argument is that the Ringer study was presented to the 86th Congress, not to the 94th Congress, which passed the 1976 Act some sixteen years later. The legislative history, moreover, evinces no explicit approval of Ringer's time-of-vesting analysis.

[3] The legislative history supports an interpretation of § 304(a) that perpetuates the explicit survival requirements of the 1790 and 1831 Acts. We find nothing to buttress a conclusion to the contrary.

C

Administrative Treatment — Fantasy contends that the interpretation embodied in the regulations of the Register of Copyrights, as an agency charged with the administration and enforcement of the copyright laws, is entitled to deference. Marascalco replies that the Register is not an agency for these purposes and that it has not expressly adopted any conclusions as to the time-of-vesting issue.

We agree that courts should generally defer to the Register's interpretation of the copyright statute. In relying upon *Ethnic Employees of Library of Congress v. Boorstin*, 751 F.2d 1405, 1416 n.15 (D.C. Cir. 1985), which held that the Library of Congress (whose Librarian oversees the Register) is not an agency whose statutory interpretations are entitled to deference, Marascalco overlooks the fact that the Library of Congress is a separate and distinct office from that of the Register. 39 Op. Att'y Gen. 429 (1940). We do not ignore the Second Circuit's statement that the Register's interpretation of an issue of first impression should not be given controlling weight, *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941, 946-47 (2d Cir. 1975), but this position has been criticized as

unsupported dictum. *Cablevision Sys. Dev. Co. v. Motion Picture Ass'n of Am., Inc.*, 836 F.2d 599, 609-10 & n.16 (D.C. Cir. 1988). *Cf. De Sylva*, 351 U.S. at 577-78 ("we . . . ordinarily give weight to the interpretation of an ambiguous statute by the agency [referring to the Register] charged with its administration"). We agree with the D.C. Circuit that the Register has the authority to interpret the copyright laws and that its interpretations are entitled to judicial deference if reasonable. *Cablevision*, 836 F.2d at 607-10.

While we accept Fantasy's basic premise, the Register has *not* expressed an opinion on the time-of-vesting issue. Fantasy points to the fact that an Assistant Chief of the Examining Division of the Copyright Office declared it to be the practice of the Register not to accept renewal claims on behalf of § 304(a) successors (for example, the author's widow) if the author is still alive. *See* 37 C.F.R. § 202.17(f)(iii). This declaration is not inconsistent with Marascalco's view of the time-of-vesting issue.

[4] Fantasy cites no time-of-vesting regulation promulgated by the Register, and none appears from a perusal of the Register's regulations at 37 C.F.R. §§ 201.1 *et seq.* There is no authoritative agency interpretation of the § 304(a) time-of-vesting issue to which deference is due.

D

The Case Law — For this appeal, the most significant decision is *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 657 (1943). The Court held, under the 1909 Act, that an author could assign his interest in the renewal copyright before he has secured it by registration. It made an historical overview of American copyright law, concluding that renewal provisions of the 1909 Act with respect to assignment were intended to carry forward the law as it formerly stood. *Id.* at 647-56.

The Court mentioned the basic policy underlying the renewal provision:

> If the author's copyright extended over a single, longer term, his sale of the "copyright" would terminate his entire interest. . . .
>
> ". . . It not infrequently happens that the author sells his copyright outright to a publisher for a small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years [the original copyright term], . . . it should be the exclusive right of the author to take the renewal term . . . ."

Id. at 654 (quoting H.R. Rep. No. 2222, 60th Cong., 2d Sess., 14-15 (1909). This passage evinces a legislative concern to endow the author and his statutory successors with a second chance to realize economic benefit from the creation of a successful work. The legislative history of the 1976 Act echoes this concern when it describes the renewal term as "a completely new property right" from which an author and his dependents should have a chance to benefit. H.R. Rep. No. 1476, 94th Cong., 2d Sess., 140 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5756.

In *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960), the Court considered whether statutory renewal rights under the 1909 Act accrued to an author's executor in spite of the author's prior assignment of the renewal interest. The Court held for the executor, *id.* at 377-78, but ambiguous dictum has caused some confusion:

> [W]here the author dies . . . prior to the renewal period . . . , [the next statutory successor] obtain[s] the renewal copyright free of any claim founded upon an assignment made by the author in his lifetime. These results follow not because the author's

> assignment is invalid but because he had only an expectancy to assign; and his death, prior to the renewal period, terminates his interest in the renewal which by § 24 vests in the named classes [of statutory successors].

Id. at 375 (citation omitted). Courts and commentators have disagreed whether "renewal period" signifies the term of the renewal copyright or the year preceding the renewal term, during which the renewal copyright is secured by registration. *Compare Abend v. MCA, Inc.*, 863 F.2d 1465, 1475 (9th Cir. 1988) (year preceding renewal term); *Rose v. Bourne*, 279 F.2d 79, 80 (2d Cir. 1960) (same), *with* Nimmer, § 9.05[C] at 9-61 (renewal term). In any event, *Miller* and *Abend* are consistent with both interpretations since the author in each case died before time for renewal registration. *Abend*, 863 F.2d at 1467; *Miller Music Corp. v. Charles N. Daniels, Inc.*, 158 F. Supp. 188, 190 (S.D.N.Y. 1957). In *Rose*, the author died in the last year of the original copyright term, 279 F.2d at 80, but that case was concerned with the validity of an assignment, and not with the time of vesting of a registered renewal copyright. *Id.*

In *Stewart v. Abend*, 110 S.Ct. 1750, 1758-59 (1990), the Court revisited the extensive history of American copyright law. It again referred to the policy of the renewal provision which (1) affords authors a second opportunity to obtain remuneration for their works and (2) provides their statutory successors with a "new estate" if they die before the "renewal period" arrives. *Id.* at 1758, 1759-60. The Court noted that it had no occasion to address the time-of-vesting issue. *Id.* at 1759 n.2.

Only two courts have squarely ruled whether an author must survive to the start of the renewal term for his renewal interest to vest in his assignees. *Frederick Music Co. v. Sickler*, 708 F. Supp. 587, 592 (S.D.N.Y. 1989) (vesting upon registration); *Arlen v. Comm'r*, 48 T.C. 640, 646-47 (T.C. 1967)

(vesting contingent on author's survival to start of renewal term).

Arlen was decided by a court whose area of special expertise is tax, not copyright, law. Further, *Arlen* reached its conclusion without any discussion of whether another, competing interpretation of "renewal period" might exist. 48 T.C. at 646-47.

Frederick rejected the legislative history prior to the 1870 Act as "irrelevant." 708 F. Supp. at 589-90. Its premises for rejection were that (a) the 1790 and 1831 Acts "did not embody the concept of the affirmative right to renew during a statutorily created renewal period prior to the commencement of the renewal term" and (b) the 1870 Act, by dropping the language of the previous statute requiring an author to survive to the start of the renewal term, effected a fundamental change in the law of copyright renewal. *Id.* at 590.

We reject premise (a) because both the 1790 and the 1831 Acts *did* provide for registration of a renewal copyright during a statutorily-created period before the start of the renewal term. Section 1 of the 1790 Act required that a renewal interest be registered "within six months before the expiration of the first term of fourteen years . . . ." Section 2 of the 1831 Act required that "regulations . . . be complied with . . . within six months before expiration of the original term."

Premise (b) ignores the fact that the 1870 Act was not intended to effect substantial changes in prior copyright law.

E

Policy Considerations — The legislative history and the cases reflect that the core concern of § 304(a) is to provide the author and his statutory successors with a new opportunity to enjoy the benefits of a creative work that proves successful.

Congress and the courts have noted the usual practice: the author assigns his original and renewal copyright interests shortly after a work has been created. *See, e.g., Stewart v. Abend*, 110 S.Ct. at 1759 ("It not infrequently happens that the author sells his copyright outright to a publisher . . . .") (quoting H.R. Rep No. 2222, 60th Cong., 2d Sess., 14 (1909)). *See also* R. Gorman, *Copyright Law* 39 (1991) ("It became common under the 1909 Act for a transferee of copyright to negotiate with an author for the ownership of both the initial and the renewal terms of copyright."). At the time these assignments are made, there is little to indicate how successful the work will be in the marketplace. *Stewart*, 110 S.Ct. at 1759.

Fantasy argues that vesting-on-registration satisfies the statute's policy goals and minimizes the conflict between that policy and the policy favoring author primacy. If, however, an author is deceased, the policy favoring author primacy pales, and the second chance policy of § 304(a), favoring the author's successors, comes to the fore.

The reading of § 304(a) we adopt does not engender an "unlimited" second chance policy at the expense of other policies embodied in our copyright law, as Fantasy argues. If an author survives to the start of the renewal term, the interest of his assignees vests, and the second chance policy falls away.

Fantasy argues that vesting on survival to the start of the renewal term is contrary to the interests of the author and his family.[5] This is because no one would pay an author for some-

[5]It can be fairly argued that Fantasy's position suffers from the same defect. Fantasy argues that "something" vests on the first day of the period for renewal registration. What vests, it argues, is some kind of property right — although one subject to perfection by application for renewal. At oral argument, Fantasy stated that there is a presumption that an assignee has an agency relationship with the author under which it can file the registration application in the name of the author. Hence, the assignee could

thing he cannot sell, thus preventing him from realizing any benefit from his renewal interest. *See Fred Fisher*, 318 U.S. at 657. But an author *can* sell his expectancy. The fact that it has not vested does not prevent its alienation.

[5] We have carefully considered other policy arguments raised by Fantasy. For example, Fantasy points out that delayed vesting will affect the coherence of the registration system because those who search the records will be unable to verify the true owner of the unvested renewal interest. Fantasy also contends that there is a potential for injustice because statutory successors, ignorant of the need to reregister a claim when the author dies before vesting, may allow a work to fall into the public domain. These are serious concerns if they reflect an accurate reading of the statute (a question we do not now decide). But they are not enough to disturb the reading that best comports with statutory intent. We hold that § 304(a) permits a renewal interest to vest in an author's assignees only if the author survives to the start of the renewal term. The 1870 Act was not intended to effect any substantive changes in the prior law of copyright renewal. An unbroken line runs from the explicit vesting provisions of the 1790 and 1831 Acts to the 1976 Act.

AFFIRMED.

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renew the copyright on the first day of the registration period, vesting the renewal rights in itself. A rule holding that vesting occurs on registration would thus have the practical effect of allowing renewal rights to vest on the first day of the registration period — a rule Fantasy claims it does not urge. Such a result runs counter to the policy expressed in *Abend* and *Stewart*. It would not protect the families of authors who have assigned away their renewal rights before the value of the work is known. In the vast majority of cases, the author and the publisher-assignee do not come to the bargaining table as equals. Allowing the family to have the renewal rights should the author die before commencemnt of the renewal term permits the family to renegotiate when the value of the work is known and gives them a second chance to receive some of the bounty.

THOMPSON, Circuit Judge, dissenting:

I respectfully dissent based on the plain language of the statute and the legislative history of the 1870 Copyright Act.

The language of 17 U.S.C. § 304(a) is clear: An author is "entitled to a [renewal term] *when* application for such renewal and extension shall have been made . . . ." (emphasis added). Thus, on its face, the statute provides that renewal rights vest upon the filing of an application for renewal. Unless the legislative history clearly indicates to the contrary, this court should abide by the plain meaning of the statute. *See INS v. Cardoza-Fonseca,* 480 U.S. 421, 432 n.12 (1987); *Cal. Men's Colony v. Rowland,* 939 F.2d 854, 856 (9th Cir. 1991).

The legislative history is devoid of any detailed discussion concerning the vesting of renewal rights. However, when adopting the 1870 Act, Congress did not retain the language of the 1831 Act which expressly required the author to survive until the beginning of the renewal term. *See* Dorothy M. Schrader, Vesting Date of the Renewal Copyright Interest, 19 Bull. Copyright Soc'y U.S.A. 282, n.18a, 283-84 (1972) [hereinafter Schrader]. An express requirement of such survivorship has never been reinstated in the statutory language. *Id.* at 284; *see* 17 U.S.C. § 304(a). The deletion is not discussed in the legislative history. Schrader, *supra,* 277, 284. The obvious conclusion is that Congress deleted the language to make it clear that registration vests the renewal rights.

The majority contends that the legislative history of the 1909 Act indicates Congress did not intend to change the substantive law when it adopted the 1870 Act. The majority cites to Professor Nimmer's conclusion that there is "no indication of [a Congressional] intent to depart from [the survivorship requirement]." 2 Melville B. Nimmer & David Nimmer, The Law of Copyright ¶ 9.05[C], at 9-60 (1990). To support his conclusion Nimmer relies upon the Supreme Court's general

statement in *Fisher Co. v. Witmark & Sons*, 648 U.S. 643 (1942) that the renewal provisions of the 1909 Act were intended by Congress to continue the renewal structure as it existed under prior copyright laws. *Id.* Such reliance is misplaced.

The *Fisher* court based its conclusion on an extensive analysis of the statutory history leading up to the 1909 Act. In particular, the Court relied heavily on language of a House Committee Report stating that the law should be framed "as is the existing law." *Fisher*, 318 U.S. at 654. This analysis, however, was undertaken for the sole purpose of determining whether an author may assign his renewal expectancy. As a result, the Court did not consider the Act of 1870. It did not need to consider that Act because there was no departure in it from the act of 1831 on the issue of assignability of the renewal expectancy. Schrader, *supra*, at 297. Thus, the Court never considered Congress' deletion of language requiring survival until commencement of the renewal term. *Id.* As the Supreme Court made clear in *Stewart v. Abend*, _ U.S. _, 1105 S. Ct. 1750, 1759 n.2 (1990), *Fisher* was silent concerning the time of vesting.

The majority also relies upon a statement made by a publisher, Mr. Hale, during the legislative hearings on the 1909 Act. The Supreme Court quoted this statement in *Stewart*, 110 S. Ct. at 1759. The *Stewart* court included the statement as part of a general discussion involving the effect of an author's death *prior* to the renewal period, an issue long before decided in *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960). *Id.* at 1759. Hale's statement was cited as supporting *Miller*:

> The legislative history of the 1909 Act echoes this view: "The right of renewal is contingent. It does not vest until the end [of the original term]. If [the author] is alive at the time of renewal, then the original contract may pass it, but his widow or children

> or other persons entitled would not be bound by the contract."

Id. (quoting 5 Legislative History of the 1909 Act, part K, p.77 (E. Brylawski & A. Goldman eds. 1976) (statement of Mr. Hale)) (alterations made by the Court).

The passage is misleading for several reasons. The bracketed language "of the original term" was added to the quote by the Supreme Court in *Stewart*. In pertinent part, the actual statement reads: "The right of renewal is contingent. It does nor vest until the end." 5 Legislative History of the 1909 Act, part K, p.77 (E. Brylawski & A. Goldman eds. 1976) (statement of Mr. Hale). Nowhere in his statement does Mr. Hale define "end."

Hale made the statement before a joint Senate and House committee which was considering various proposals for revising the copyright laws. He was arguing that composite works should be exempted from the renewal provisions. *Id.* at 76-78. He was not addressing the issue of when renewal rights vest. In fact, there is not a single discussion concerning the vesting of renewal rights anywhere in the legislative history of the 1909 Act.

Further, in a footnote to the passage, the Supreme Court in *Stewart* expressly stated it had never "decided the question of when renewal rights vest" and that it had "no occasion to address the issue here." 110 S. Ct. at 1759 n.2. In light of the above considerations, Mr. Hale's statement is of little value.

Finally, the majority relies upon Ringer's broad statement that "there is no indication that any change was considered or even suggested" by the drafters of the 1870 Act. This statement is part of Ringer's one-sentence discussion of the 1870 Act. Barbara A. Ringer, Renewal of Copyright (1960), reprinted as Copyright Law Revision Study No. 31, prepared for the Senate Committee on the Judiciary, 86th Cong., 2d.

Sess., 105, 111-12 (1961) [hereinafter Ringer]. Ringer does not discuss the deletion of the language requiring survivorship until the renewal term. In any event, as the majority concedes, Ringer concludes that vesting occurs upon application for renewal. *Id.* at 186 ("[a]s soon as a valid renewal claim is registered, the renewal is 'vested in interest'—that is, there is a 'present fixed right of future enjoyment.' ")

The fact of the matter is that the majority of commentators who have directly addressed the time of vesting issue support the view that renewal rights vest upon timely application for renewal. *See Frederick Music*, 708 F. Supp. at 591-92 (comparison of commentators); *see also* Seymour M. Bricker, Renewal and Extension of Copyright, 29 U.S.C. L. Rev. 23, 26 (1955). The two most comprehensive studies both reach this conclusion. Ringer, *supra*, at 186; Schrader, *supra*, at 302-05.

Because no persuasive legislative history exists to the contrary, we should follow the plain meaning of section 304(a). On its face, the statute provides for the vesting of renewal rights upon the proper filing of an application for renewal. I think the statute means what it says. I would leave to Congress the decision whether to amend it.

APPENDIX B

FILED OCT. 24, 1990
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA.

JOHN MARASCALCO, *etc.*,	CV 88-675 TJH (Tx)
Plaintiff,	
v.	AMENDED OPINION AND ORDER
FANTASY, INC., *etc.*,	
Defendant.	

In 1956, John Marascalco and Robert A. Blackwell co-wrote the song "Good Golly Miss Molly" ["the Song"]. At the time, Blackwell was employed by Specialty Records, dba Venice Music ["Venice"], as an "artists and repertoire man." His primary responsibilities included finding material for artists to record, auditioning prospective talent, and overseeing the production of recordings.

On July 23, 1956, in exchange for royalties, Marascalco and Blackwell assigned their copyright interests in the Song, including "any and all renewals of copyright" to Venice. Venice registered the Song with the Copyright Office on January 22, 1957, naming Venice as the copyright owner and Marascalco and Blackwell as the authors. On October 15, 1959, Blackwell assigned his royalties back to Venice. In 1973, Venice assigned its

interest in the Song to Argosy Ventures, which in turn assigned the interest to Fantasy, Inc. ["Fantasy"].

On January 18, 1985, Marascalco renewed the Song's copyright in his name and Blackwell's name. Two months later, Blackwell died. Blackwell's death occurred during the twenty-eighth year of the original term of the Song's copyright. Blackwell's two daughters, Kelly Blackwell and Sandra Blackwell McClendon, inherited their father's estate, including any interests he had in the Song's copyright. On March 15, 1986, Blackwell's daughters assigned their interests in the Song's copyright to Marascalco in exchange for royalties.

Fantasy's refusal to recognize Marascalco as the assignee of Blackwell's interest prompted this action for a declaration of rights. Marascalco does not contest Fantasy's ownership of the other one-half interest of the copyright.

The issues presented are whether Blackwell's authorship of the Song was a "work made for hire", and whether Blackwell's renewal interest in the Song's copyright was vested at the time of his death?

Work Made For Hire

A "work made for hire" is any "work prepared by an employee within the scope of his or her employment." 17 U.S.C. §101. The copyright, along with the right to renew and extend the copyright, of a "work made for hire" is owned by the employer. 17 U.S.C. §§201(b) and 304(a).

Fantasy asserts that Blackwell co-wrote the Song within the course and scope of his employment with Venice. If this were true, then Fantasy would own the renewal interest as Venice's successor in interest. However, based on the evidence presented, Blackwell co-wrote the Song as an independent songwriter, and, therefore, was a co-owner of the Song's original copyright.

In reaching this conclusion, the Court relies on the Standard Songwriters Contract ["the Contract"], executed in 1956, in which Blackwell assigned his copyright interest, as an author of the Song, to Venice, as the Song's publisher. The Contract contains an integration clause, and does not identify Blackwell's contribution to the Song as a work made for hire. Moreover, if Blackwell had written the Song in the scope of his employment, he would have had nothing to assign, and the Contract, as it relates to him, would have been meaningless.

The Court also relies on the 1957 Application for Registration of a Claim to Copyright ["the Application"]. The directions on the Application state that "[i]n the case of a work made for hire the employer is the author." Nevertheless, Venice listed Blackwell and Marascalco as the authors, rather than itself. The registration certificate issued for the Application constitutes *prima facie* evidence of the facts stated in the Application. 17 U.S.C. §410(c) (in effect at the time of registration as section 209 of the Copyright Act of 1909).

Fantasy has failed to provide sufficient evidence to rebut the presumption that Blackwell was an author of the Song. Accordingly, the Court finds that the Song was not a "work made for hire."

Vesting of Renewal Rights

The key question presented by this case is at what point does an author's copyright renewal interest vest so as to invoke the rights of his successors. Section 304(a) of the Copyright Act of 1976 provides that:

> Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for twenty-eight years from the date it was originally secured . . . And provided further, . . . the author of such work, if still living, or the widow,

> widower, or children of the author, if the author be not living, . . . shall be entitled to a renewal and extension of the copyright in such work for a further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of the copyright . . ..

17 U.S.C. §304.

When the Copyright Act of 1909 was reenacted in 1976, the renewal provision of section 24 of the 1909 Act was preserved as section 304 of the 1976 Act. Section 305, added to the 1976 Act, altered the calculation method for expiration dates. Section 305 states that "[a]ll terms of copyright provided by . . . [section 304] run to the end of the calendar year in which they would otherwise expire." 17 U.S.C. §305.

Therefore, under the 1909 Act, Marascalco and Blackwell's original copyright term expired January 22, 1985, with the renewal period--the one year period prior to the copyright's expiration during which time the copyright can be renewed--extending from January 22, 1984 to January 22, 1985. However, after the enactment of section 305, the renewal period ran from December 31, 1984 through December 31, 1985. Thus, Blackwell died during the renewal period, but after Marascalco had timely effected a renewal registration in both authors' names.

It is well settled that an author may assign his copyright's renewal interest at any time during the copyright's original term. *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 63 S.Ct. 773, 87 L.Ed. 1055 (1942). However, until the renewal interest vests, the assignee has nothing more than a mere expectancy

interest. The "assignees of renewal rights take the risk that the rights acquired may never vest in their assignors." *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 80 S.Ct. 792, 4 L.Ed. 804(1960).

Thus, the question becomes when does a copyright's renewal interest vest. Three possibilities exist: 1) At the commencement of the copyright's renewal period; 2) When an application for renewal is filed or duly registered in the Copyright Office; or 3) At the commencement of the copyright's renewal term. The Ninth Circuit and the Supreme Court have yet to resolve this question.

Marascalco argues that the renewal interest does not vest until the beginning of the renewal term--in this case, January 1, 1986. Accordingly, since Blackwell was not alive at the commencement of the renewal term, the renewal rights passed to Blackwell's daughters, under section 304(a), and then to Marascalco via assignment. Conversely, Fantasy argues that the renewal rights vested on the date Marascalco registered for renewal, January 18, 1985. Accordingly, since Blackwell was alive on that date, the renewal interest vested in Fantasy.

Since the earliest copyright statutes, Congress has protected the rights and interests of authors and their families. The first copyright laws split an author's term of ownership into an original term and a renewal term so that the author could renew his copyright if he were living at the expiration of the original term. *Copyright Act of May 31, 1790,* Ch. XV, §1, 1 Stat. 124. In 1831, Congress changed the law to allow authors to assign their contingent interests in the renewal term, but such assignment did not divest an author's spouse or children of the renewal rights. *See Copyright Act of Feb. 3, 1831,* Ch. XVI, 4 Stat.436. The change gave authors and their families a second chance to control and benefit from the authors' works. *Miller Music Corp.* 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed. at 804; *Stewart v. Abend*, 495 U.S. ___, 110 S.Ct. 1750, 109 L.Ed. 2d 184 (1990).

Congress expressed the same concerns for authors and their families when it enacted the Copyright Act of 1909. Congress recognized that authors often made outright sales of their copyrights, to publishers, for comparatively small sums. Therefore, the creation of a separate renewal term permitted authors, originally in a poor bargaining position, to renegotiate the value of their works once tested in the marketplace. Stewart, 495 U.S. at ___, 110 S.Ct. at 1759, 109 L.Ed. 2d at 199. Thus, if a work is a great success and survives beyond its original 28 year copyright term, the author is not deprived of his rights, and neither is his family deprived of theirs. Stewart, 495 U.S. at ___, 110 S.Ct. at 1759, 109 L.Ed.2d at 199. Accordingly, Congress preserved the renewal term provision in the 1909 Act and in the revised 1976 Act. 17 U.S.C. TT304(a)and (b).

Since the congressional intent of the renewal term was to protect the rights of authors and their families, the Supreme Court, in MillerMusic Corp., 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed. 2d at 804, concluded that the author's estate retains the renewal interest if an author assigns his interest but dies before the commencement of the copyright's renewal period. However, the MillerCourt did not reach the issue of when the renewal rights vested because the author died prior to the renewal period. Nevertheless, the Court did determine that the author's assignment of his copyright interest was merely an assignment of an expectancy interest. Miller, 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed. 2d at 804; Stewart, 495 U.S. at ___, 110 S.Ct. at 1759, 109 L.Ed. 2d at 199. Furthermore, the Court in Stewart, 495 U.S. at __, 110 S.Ct. at 1760, 109 L.Ed. 2d at 200, concluded that Congress intended to provide authors' families with a "new estate" if an author died before the beginning of his copyright's renewal period. Therefore, an author's assignment cannot effect his family's renewal rights if he does not survive to the beginning of the renewal period. Stewart, 495 U.S. at __, 110 S.Ct. at 1760, 109 L.Ed. 2d at

200.

Judicial precedent and the Copyright Act's history directs this Court to conclude that a copyright's renewal interest does not vest until the commencement of the copyright's renewal term. Prior to the commencement of the renewal term, an assignee merely takes an expectancy interest. If the author does not survive to the renewal term, his assignment automatically extinguishes, and the second chance to control and benefit from the his work belongs to his successors.

Since Blackwell died before the commencement of the renewal term of the Song's copyright, Fantasy's expectancy interest did not vest. Therefore, Blackwell's renewal interest in the Song's copyright passed to his daughters, and they, in turn, effectively assigned their interest to Marascalco.

It is so Ordered.

Date: October 24, 1990

Terry J. Hatter, Jr.
United States District Judge

APPENDIX C

17 USC §304

(a) **Copyrights in their first term on January 1, 1978.** Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for twenty-eight years from the date it was originally secured: *Provided*, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further,* That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his or her next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall terminate at the expiration of twenty-eight years from the date copyright was originally secured.